

Stephen H. Bryant  
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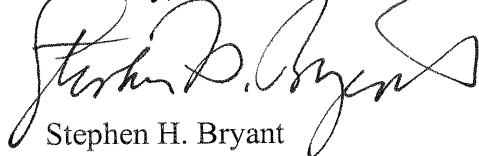
Mr. Kevin Friary, President  
Utility Workers Union of America, Local 273  
132 Ferncrest Drive  
Taunton, MA 02780

Dear Mr. Friary:

Bay State Gas Company agrees that it will not move forward with any plans to outsource the jobs of current Bay State employees, or eliminate any positions or reduce the current staffing levels in connection with the pending outsourcing plans (except as provided in the next paragraph) at least until the issuance of a final decision in D.T.E. 05-27 or December 1, 2005, whichever is later. In turn, Local 273 agrees to withdraw its pending "Motion to Preserve the Status Quo and to Preserve Department's Jurisdiction Pending Final Decision" from the Department's consideration. This agreement does not relieve either party from bargaining in good faith about the outsourcing of jobs, nor does this agreement prohibit the outsourcing of jobs if mutually agreed to by the parties.

I do wish to note that approximately 12 NiSource Corporate Services Company employees that provide local information technology support at Bay State locations are scheduled to become IBM employees on or about July 1. Although these individuals are not "Bay State" employees, I do recognize that the term used in the Motion might likely have been used in a broader sense. Since these positions will not be eliminated and the "rebadging" could be reversed if an Order from the Department made such a reversal necessary, I would request that these individuals be excluded from this agreement.

Sincerely,



Stephen H. Bryant

cc: Charles Harak, Esq.  
Patricia French, Esq.